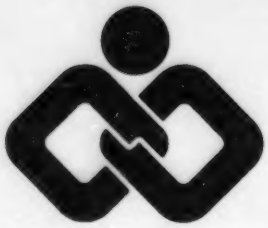

Canadian Labour and Business Centre

Where Did All The Workers Go?

The Challenges of the Aging Workforce

Analysis of the Viewpoints 2000 Leadership Survey

Industry Training and Apprenticeship Commission

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Where Did All the Workers Go? The Challenges of the Aging Workforce: Analysis of the Viewpoints 2000 Leadership Survey

April 2001

This report is available on-line at www.clbc.ca and www.itac.gov.bc.ca

April 2001
ISBN 0-921398-56-53

GST Registration No R100767268

101-06332/

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Where Did All the Workers Go?
The Challenges of the Aging Workforce:
Analysis of the Viewpoints 2000 Leadership Survey

Executive Summary

Both labour and management are waking up to the fact that large numbers of people will be retiring in the next few years. Companies and unions will face very real problems if they fail to start planning now to replace this loss of experience and skills. While the issue of an aging workforce is not in the centre of the radar screen it is most definitely in the viewfinder. The other major finding from this report is that the different perspectives of management and labour have narrowed considerably since 1998 on both the extent of activity and the problems of replacing retirees.

As the average age of the population continues to rise, the prospect of retirement in large numbers of older, more experienced workers looms ever closer. The challenge for companies and unions will be to find replacements who will compensate for this loss of skills and corporate memory. This report summarizes the findings of the Canadian Labour and Business Centre Leadership Survey, Viewpoints 2000, specifically, the views of labour and management on the aging workforce and the challenge facing organizations over the next decade to replace retiring workers. Responses to similar questions in the 1998 Leadership Survey generally indicated that, while some business and labour leaders were aware of the issue, the aging of the workforce had not received much attention.

The questions put to labour and management differed slightly. Management was asked about hiring and replacement policies and practices in their own organizations. Labour leaders were asked their perceptions of the hiring and replacement policies of the employers where their union had members. Unions were not asked specifically about their own hiring practices.

The Leadership Survey is conducted every two years and surveys business and labour leaders on their perceptions concerning a range of economic and social issues. The 2000 Leadership Survey was sent to 4,442 labour and management leaders in the private and public sector and achieved a response rate of 18 percent.

Labour and Management Views

There have been significant changes in labour and management views over the last two years. Both sides have begun to recognize the issue of the aging workforce, the need for active measures and the degree of problems arising from the need to replace retirees.

- Labour and management agreed that there would be significant replacement of retirees in the next five years. Management generally expected higher replacement levels than did labour leaders. Their respective views on the

proportions of retirees that would be replaced have not changed dramatically between 1998 and 2000.

- A significant change over the period 1998-2000 is that labour is increasingly convinced that more replacement action is being taken, in both the public and private sectors, to address the issue of replacing retirees. While management views have not changed (managers continue to believe they are actively addressing the issue of replacing retirees), labour leaders have revised their perceptions upwards and are more inclined to view organizations as more active in replacing workers than in 1998.

- Management and labour are now pursuing a variety of specific actions to address the replacement of retirees, unlike in 1998 when training was the only action identified with any strength. In 2000, recruitment is viewed as a specific action to replace retirees. This indicates that organizations are wishing to replace retirees with permanent workers rather than relying largely on training the existing workforce.

- Labour and management believe that there will be significant problems in replacing retirees. Compared to 1998, management is much more aware that these problems are likely to occur.

- Skills shortages remain the specific problem most commonly identified by both management and labour. However, management indicated competition with other employers, and labour leaders identified the levels of wages and benefits and problems related to training, as secondary problems. These were not mentioned in 1998. This reinforces the fact that organizations are hiring permanent workers rather than training the existing workforce.

- Three of the four constituencies (private sector labour; public sector labour and public sector management) clearly identified requests for pre-retirement counseling, requests for training and phased-in retirement requests as having increased in frequency in the last two years. Private sector management perceived no change in these requests.

- A majority of the same three constituencies and a significant minority of private sector management recognized that the importance of retirement issues relative to other human resource issues has increased in the last three years.

- Increasingly, both labour and management believed that youth hiring has received a high priority in 2000 compared to 1998. In particular, labour has seen a significantly higher priority for youth hiring.

- Between 1998-2000 there also appears to have been a small increase in the proportion of labour and management who feel that youth hiring will be a higher priority in future.

In sum, there is a growing recognition among labour and management that the aging of the workforce and the replacement of retirees are going to present critical challenges. Management increasingly recognizes that there will be very significant problems. Labour acknowledges, more than they did in 1998, that organizations are engaging in activity to address the replacement of retirees.

Public Sector-Private Sector Differences

- Higher levels of replacement of retirees are anticipated by both labour and management in the public sector compared to their private sector counterparts in 2000.

- The public sector is more active in addressing replacement of retirees than the private sector. According to a majority of both labour and management, public sector organizations are very or somewhat active in addressing the replacement of retirees.

- Training as a specific action to address the replacement of retirees is seen as a more important activity in the private sector than in the public sector in 2000. Recruitment is slightly more prevalent in the public sector, suggesting that maintaining or increasing the size of the permanent workforce is a strategy in this sector.

- The problems of replacing retirees are expected to be greater in the public sector than in the private sector. Furthermore, the proportions of labour and management who anticipate very significant problems have risen more in the public sector than in the private sector between 1998 and 2000.

- Specific problems of skills shortages were most pronounced in the goods producing sector according to both labour and management. Private and public services also exhibit pronounced skills shortages.

- In addition, the results indicate that retirement issues are going to be – if they are not already – increasingly important in the public sector. A higher proportion of both labour and management in the public sector, compared to the private sector, indicated an increase in the importance of a wide range of aging and retirement issues. Opinion on the frequency of selected retirement provisions differs much more between labour and management in the private sector.

- The importance of retirement issues relative to other human resource issues is recognized by a majority of labour and management in the public sector, by private sector labour, and by a significant minority of private sector management. This suggests that increasing attention to retirement issues will be needed as the average age of the workforce continues to rise in the next decade.

- Expectations for a higher priority in youth hiring over the next five years have become more pronounced in the public sector between 1998 and 2000 compared to the private sector.

Overall the resuits indicate that the challenges of replacing retirees are going to be more intensely felt in the public sector where, compared to the private sector, expected replacement levels are higher, the problems of replacement are greater and the growth in the importance of retirement issues is higher.

Differences by Size of Organization

- Responses by organizational size were available only from management. These responses indicate a number of differences between firms of different sizes. Smaller firms, many of which are start-ups that include higher percentages of younger workers, have lower expected proportions of retirees and consequently anticipate less severe replacement problems and less activity in addressing the replacement of retirees. Small organizations also have lower priorities for hiring youth, both currently and in the future. Hiring youth, however, is a regular activity for small organizations. The age of workforces in small organizations also means that replacing retirees will pose fewer recruitment problems and stimulates relatively more training activities. For large organizations the opposite observations tend to be found.

Regional differences in the survey responses were less obvious. This was due partly to small sample sizes in some cells, but also to the fact that a wide variety of factors can account for regional differences.

Conclusion

The evidence from Viewpoints 2000, Leadership Survey, suggests very clearly that labour and management are beginning to take the challenge of replacing retirees more seriously, and are aware of the risks of failing to fully respond to the challenges of replacing retirees. Labour and management are reaching a consensus on the importance of this issue, both in terms of the significance of the problems expected and the degree of active measures that need to be taken. Moreover, the specific problem of skill shortages in replacing retirees is ubiquitous. It is strongly recognized by both labour and management, among all sizes of organization, and in both the public and private sectors.

The evidence also suggests that the public sector is likely to experience more intense pressure than the private sector in replacing retirees. Finally, meeting the challenges posed by the aging of the labour force will increase the importance of conducting long-term planning now in order to address not just current skill needs of companies and unions but also to access what skills the workforce of the future will need.

Where Did All the Workers Go? The Challenges of the Aging Workforce: Analysis of the Viewpoints 2000 Leadership Survey

I. Introduction

As the labour force ages, business and labour will face a growing challenge to replace the skills and experience of workers who will leave the labour market. The proportion of older workers (over 45) in both the population and the labour force is expected to rise significantly over the next decade. Older workers have lower labour force participation rates as they approach retirement age. As the baby boomers move inexorably into the older age category they will leave the labour force in large numbers. This represents, for organizations, an enormous loss of accumulated experience that will need to be addressed.

The problem will not be simply a quantitative one. Replacing retirees with younger workers will pose significant challenges, particularly in ensuring that younger workers have the skills and experience appropriate for the future workforce. At the same time, competition for a pool of young workers who possess these skills and experience is likely to intensify in the coming years. Companies and unions must consider forward planning and development of strategies to address the potential shortfall in skills and experience they will face when the current generation of older workers retires.

This report examines the extent to which labour and management perceptions indicate they are prepared to meet the demographic challenges of an aging workforce. The Leadership Survey is conducted every two years and surveys business and labour leaders on their perceptions concerning a range of economic and social issues. The 2000 Leadership Survey was the third such survey and was sent to 4,442 labour and management leaders in the private and public sector. It achieved a response rate of 18 percent.

Results from the 1998 Leadership Survey revealed that, while some business and labour leaders were aware of the issue, it had not received much attention. This probably reflects the inevitable fact that demographic change is a long-term phenomenon whose yearly changes are not of major significance. The 2000 survey therefore provides an opportunity to see if labour and management views around the aging workforce have changed.

This report of the findings of the 2000 Leadership Survey on the demographic questions is organized into four principal sections. Section I covers the views of the four constituencies – private sector management, private sector labour, public sector management and public sector labour – to questions around the replacement of retirees and associated problems, including the extent of activity and actions to replace retirees. Section II examines the changing importance of workplace issues relating to retirement among the four constituencies. The third section deals with the priority given to hiring

youth, which is one group of workers who could be expected to replace retirees. A comparison with results from the 1998 Leadership Survey (where available) is also provided in these first three sections. The final section provides some details of various cross sectional analysis of the different responses to the Leadership Survey. It should be noted that the analysis in this section might in some cases be constrained by small sample sizes.

It is important to bear in mind that the questions asked of labour and management were slightly different. Management was asked about hiring and replacement policies and practices in their own organizations. Labour leaders were asked about their perceptions of the hiring and replacement policies of the employers where their union had members. Unions were not asked specifically about their own hiring practices.

II. Labour and Management Views on the Replacement of Retirees and Associated Problems

Management respondents were asked about their intentions to replace retirees over the next five years and about their current actions relating to this. Specifically, they were asked:

a) the extent to which they intend to replace retirees over the next five years

b) how active they were in replacing retirees

c) what specific actions they were taking to replace retirees

d) what degree of problems they anticipated in replacing retirees and

e) what specific problems they were currently experiencing.

These questions were also asked on the 1998 survey, though some of the categories of answers were different between the two time periods. Labour respondents were asked parallel questions which focused on how they perceived the replacement activities and intentions of employers where they had members.

a) Intentions to replace retirees

The overall labour and management views on expected replacement levels have not changed dramatically over the period 1998-2000[1]. In 1998 both labour and management

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[1] The results from the two Leadership Surveys are not directly comparable to those categories shown in Chart 1. The 2000 Leadership Survey provides more precision in the categories of answers to this question: the 1998 Leadership Survey asked if all retirees or some retirees would be replaced.

leaders agreed that there would be significant replacement. Management had higher expectations than labour that *all* retirees would be replaced, whereas labour leaders thought that significant partial replacement would occur. Finally, expectations that some retirees would be replaced were higher in the public sector than in the private sector for both labour and management.

In 2000, management again anticipated higher levels of replacement of retirees than did labour respondents. Chart 1 shows that a majority of management leaders indicated that they would replace more than 50% of their retirees in the next five years[2]. In contrast, the largest proportion of labour respondents expected employers to replace fewer than 50% of retiring employees over this period[3]. Clearly, labour is somewhat less convinced than management on the degree of retiree replacement that will occur.

The results from the 2000 survey also indicate that higher replacement levels are anticipated by both labour and management in the public sector compared to their private sector counterparts.

---

2 Management also has higher expectations than labour that *all* retirees will be replaced. Thus, 40 percent of private sector managers and 31 percent of public sector managers believed that all retirees would be replaced, compared to 9 percent and 12 percent of private and public sector labour leaders respectively.

3 Fully half of labour leaders in both the private and public sector expected that less than 50% of retirees would be replaced compared to 25 percent of private sector management and 34 percent of public sector management.

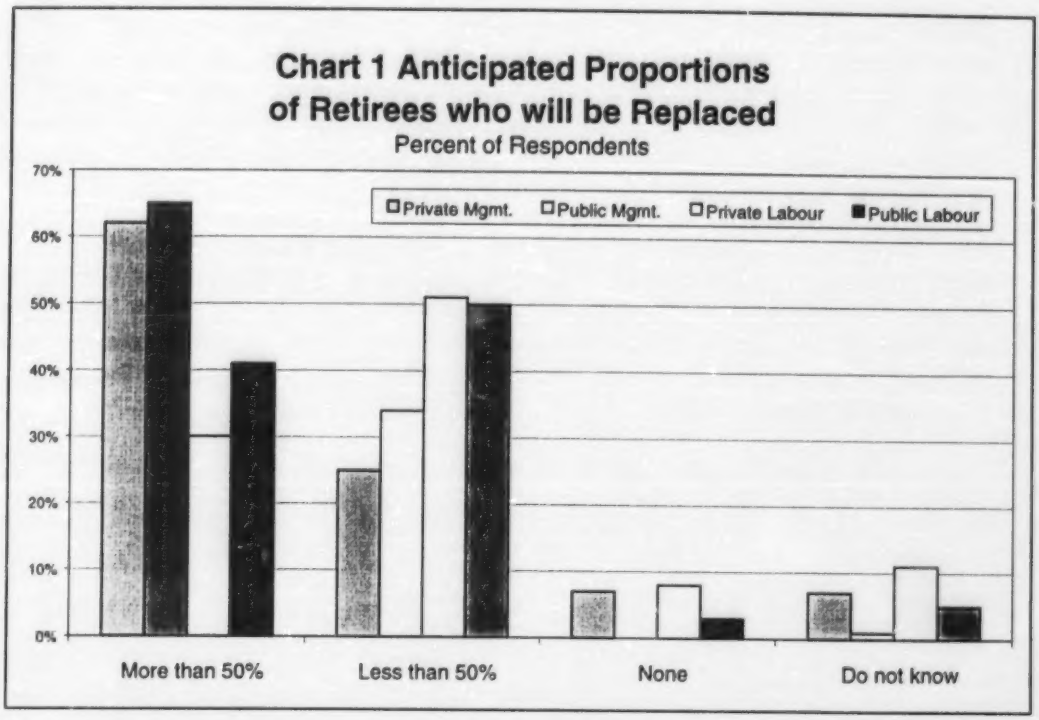


Table 1
Anticipated Replacement of Retirees in the Next 5 Years, 1998-2000
(Percent of Respondents)

	Private Sector				Public Sector			
	Management		**Labour**		**Management**		**Labour**	
	1998	**2000**	**1998**	**2000**	**1998**	**2000**	**1998**	**2000**
All will be replaced	36%	40%	10%	9%	30%	31%	11%	12%
Some will be replaced	54%	47%	72%	72%	66%	68%	88%	79%
None will be replaced	2%	7%	13%	8%	0%	0%	1%	3%
Do not know	7%	7%	4%	11%	4%	1%	0%	5%

b) Activity levels in replacing retirees

In terms of how actively employers were addressing the issue of replacing retirees, there have been significant changes in labour and management views between 1998 and 2000.

In 1998, labour and management had very different views on how actively employers were addressing the replacement of retirees. Labour was much more skeptical than management that organizations were addressing the replacement of retiring workers.

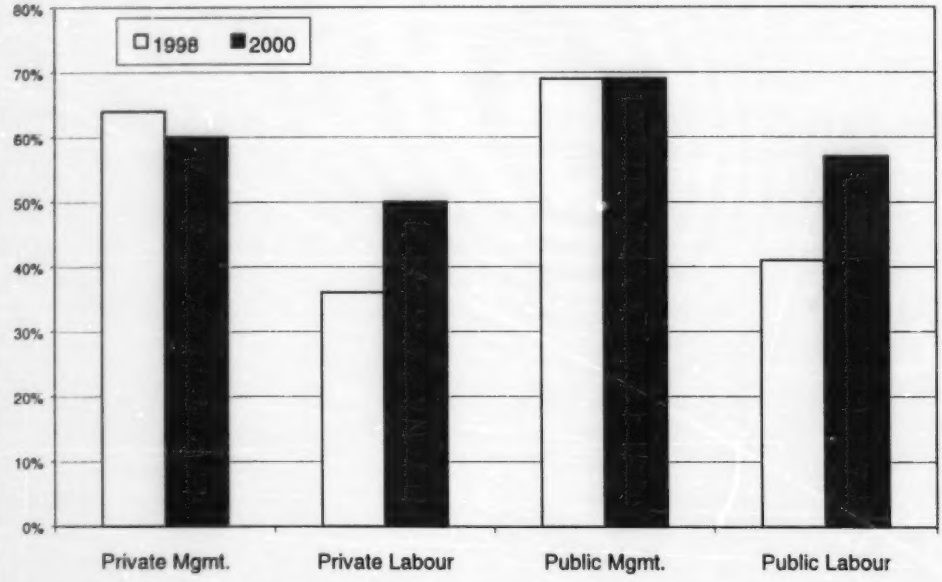
The disparity in labour and management views has narrowed over the period 1998-2000. Most of the reduction in the gap in labour-management views is due to an increased

recognition of activity by labour leaders. As Chart 2 shows, in both the private and public sector, significantly more labour leaders believe the replacement issues are being very actively or somewhat actively addressed[4]. On the management side, perceptions essentially have not changed.

In 2000 labour was still slightly less confident than management that the replacement of retirees was being addressed. Management believes that they are pursuing an active approach (Table 2).

The results also indicate more activity to replace retirees in the public sector. In the public sector a majority of both labour and management believe their organizations are very or somewhat active in addressing the replacement of retirees (Chart 2).

Chart 2 Proportion of Respondents Who Indicated their Organizations were Very or Somewhat Active in Addressing Replacment of Retirees: 1998-2000



[4] The same phenomenon can also be seen in the proportion of labour leaders who believe nothing is being done to address the replacement of retirees. Among labour leaders overall, the percentage who indicated nothing was being done fell from 17 percent in 1998 to 11 percent in 2000.

TABLE 2
Extent of Activity in Replacing Retirees: 1998-2000

	Private Sector				Public Sector			
	Management		Labour		Management		Labour	
	1998	2000	1998	2000	1998	2000	1998	2000
Very or somewhat active	64%	60%	36%	50%	69%	69%	41%	57%
Slightly	25%	30%	44%	36%	25%	25%	44%	34%
Not at all	11%	11%	20%	14%	6%	6%	14%	9%

In sum, the increasing recognition by labour of activity in organizations to address the replacement of retirees is a major shift in attitude from 1998. It suggests the converging of management and labour views and the emerging of a consensus on the importance of dealing with the issues of replacing retirees.

c) Specific Actions to Replace Retirees

There were also some significant changes in labour and management views on which specific actions were being used to address the replacement of retirees.

In 1998, both management and labour had agreed that ***training*** was the principal activity that had been employed to address the issue of replacing retirees. ***Training*** was the most prevalent answer among all four constituents. By the year 2000, ***training*** is not the most cited activity across all four constituencies and the proportions of respondents identifying it had fallen considerably.

Instead, in 2000, as Chart 3 shows, a variety of actions to deal with the replacement of retirees were apparent, most notably ***recruitment*** and ***other actions***. It is important to note that these non-training actions could have been present in 1998, but they may not have been linked to the goal of replacing retirees. With more awareness of the aging workforce in the year 2000, pursuing these specific actions could have benefits that help the replacement of retirees. For instance, ***recruitment*** has received more attention recently because of the general problem of skill shortages, that is finding and attracting workers with skills essential to organizations. This is precisely the problem that is anticipated in replacing retirees. Recruitment can therefore be seen as an action to address current skill shortages but also to address the emerging concern around the replacement of retirees. The important feature of ***recruitment*** is that it suggests attitudes are shifting towards the need to permanently replace retirees rather than simply training an existing workforce.

Training is also seen as a more important activity in the private sector rather than the public sector in 2000 (Table 3).

Between 1998 and 2000, there was little change in the relatively low percentage of respondents from all four constituents indicating that a ***retirement policy*** was a specific action being taken to address replacement of retirees (Table 3).

In both 1998 and 2000, a quarter of labour leaders believed that there was little real action occurring. In their view, management had been following a ***wait and see*** approach in 1998 and by 2000 their actions were perceived as "***none or just talk***" (Table 3).

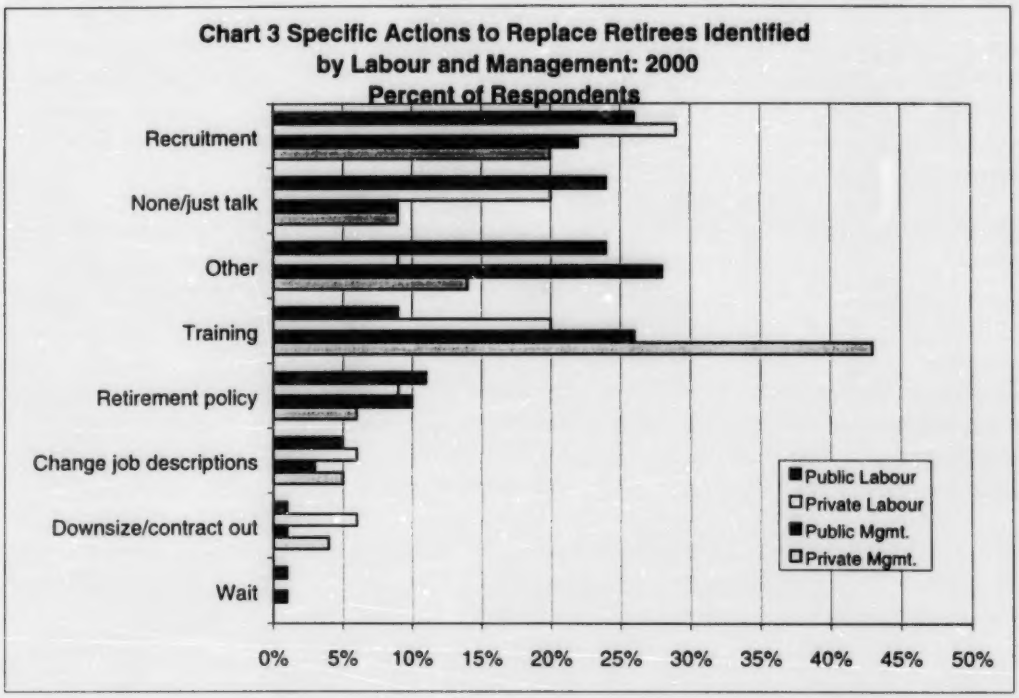


TABLE 3
Specific Activities Identified to Replace Retirees: 1998-2000

	Private Sector				Public Sector			
	Management		Labour		Management		Labour	
	1998	2000	1998	2000	1998	2000	1998	2000
Training	62%	43%	47%	20%	45%	26%	35%	9%
Retirement Policy	13%	6%	8%	9%	17%	10%	17%	11%
Recruitment		20%		29%		22%		26%
Downsize or Contract out	3%	4%	4%	6%	2%	1%	11%	1%
Wait	5%	0%	28%	0%	14%	1%	25%	1%
Change Job Description	17%	5%	13%	6%	22%	3%	12%	5%
None/Just Talk		9%		20%		9%		24%

d) Degree of problems anticipated in replacing retirees

The evidence from the two surveys also paints a picture of changing expectations about the significance of problems in replacing retirees.

In 1998, management did not foresee significant problems replacing retirees. Labour leaders, however, were less confident about the ease of replacement. A quarter of labour respondents believed that there would be very significant problems.

Between 1998 and 2000 and across all four constituencies, the proportion anticipating very significant problems rose (Chart 4), while the proportion that expected no significant problems fell over the same period (Table 4). In other words, both labour and management are coming to realize that there will be significant problems in replacing retirees.

Labour leaders are generally more skeptical that replacing retirees will be accomplished without problems. In 2000, a higher proportion of labour leaders than management believe there will be very significant problems. Management tends to believe that the problems of replacing retirees will be moderately significant (Table 4).

Public sector respondents expect the public sector to encounter more problems replacing retirees than the private sector. Chart 4 demonstrates that the proportions of labour and management who anticipate very significant problems has risen more in the public sector than in the private sector between 1998 and 2000.

These results again indicate a convergence of labour and management views on the seriousness of the challenge facing organizations that will have to replace significant numbers of retirees.

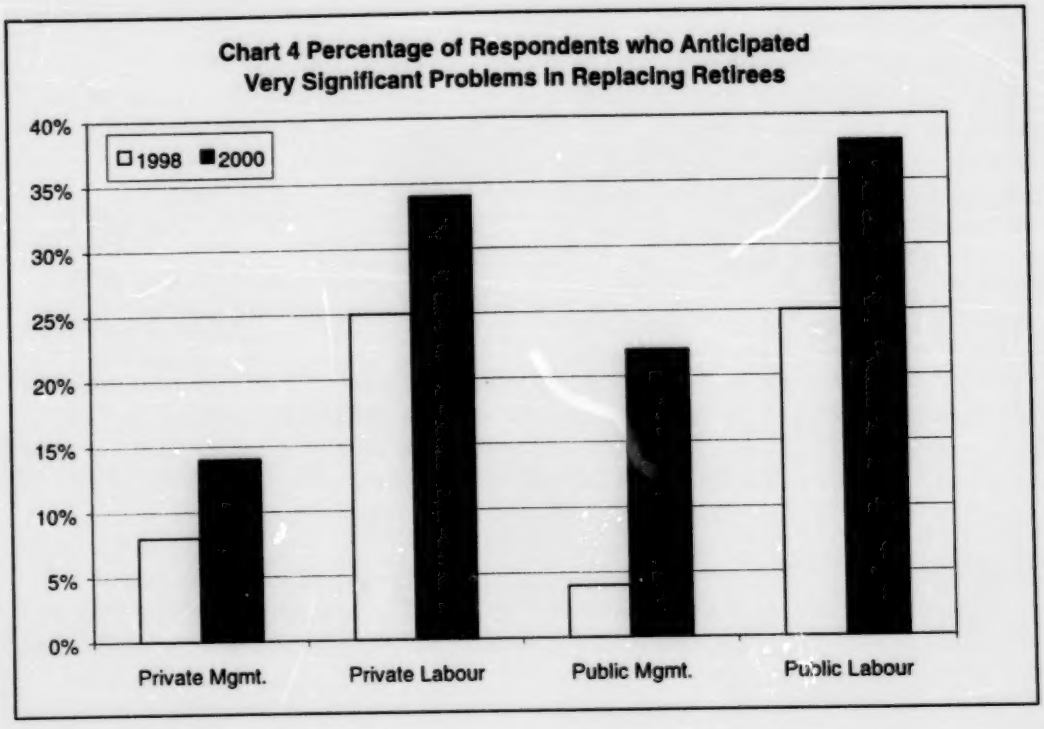


TABLE 4

Significance of Problems in Replacing Retirees by Sector: 1998-2000

	Private Sector				Public Sector			
	Management		Labour		Management		Labour	
	1998	2000	1998	2000	1998	2000	1998	2000
Very significant problems	8%	14%	25%	34%	4%	22%	25%	38%
Moderately significant problems	48%	58%	44%	41%	52%	58%	35%	43%
No significant problems	44%	29%	31%	24%	43%	20%	40%	19%

e) Specific problems

Current labour and management views have identified skill shortages as an issue of national concern[5]. Reflecting this, ***skill shortages*** was by far the most commonly cited problem in the replacement of retiring workers. Management and labour in both private and public sectors agreed that ***skill shortages*** were the primary problem, though management views were more strongly held. The problem of ***skill shortages*** was more pronounced in the private sector than in the public sector (Chart 5).

Labour and management identified different secondary problems with replacing retirees. Management indicated ***competition with other employers*** as a specific problem. Labour leaders indicated the ***levels of wages and benefits*** and ***problems related to training***. The emergence of these specific problems probably links to different aspects of the issue of addressing skills shortages. Employers now see recruitment as a means to address the problems of replacing retirees, which they recognize will be inextricably connected to its ability to recruit and retain workers with the right skill set in times of tight labour markets. Labour's concern over wages and benefits and training reflects the need to ensure that new 'hires' to replace retirees are properly trained and compensated. The management concern over competition and labour's concern over compensation and training thus reflects the rise in use of recruitment and the pressure to acquire the right skill set for company workforces.

It is interesting to note that ***competition with other employers*** and ***training problems*** were not mentioned in 1998, but did register with respondents in 2000. This would suggest that in 2000 employers view hiring as a more effective action, whereas in 1998 they were training their existing workforces and being more cautious about committing to any change in the number of permanent workers.

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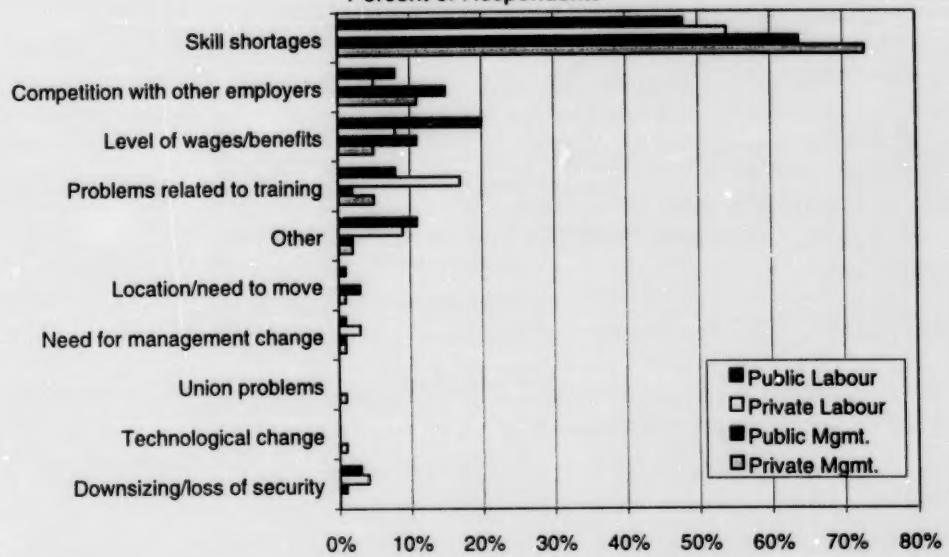
5 See Viewpoints 2000 Serious Economic Issues and Policy Solutions, Canadian Labour and Business Centre, July 2000

Chart 5 Specific Problems With Replacing Retirees Identified by Labour and Management

Percent of Respondents



III. Workplace Issues Related to Retirement

As the population ages and the baby boom generation approaches retirement, it is likely that there will be an increased occurrence of issues related to aging and retirement. These may include specific provisions related to retirement such as pensions, phased in retirement, arrangements to work past the normal retirement age and requests for pre-retirement counselling. At the same time, with an older workforce, issues such as elder care, absenteeism, increased on-the-job injuries and health problems are expected to become more evident. In order to try to capture the relevance and frequency of these issues, new questions were added to the 2000 Leadership Survey that attempted to provide more information on how the issue of replacing retirees is being felt at the workplace level.

In these workplace-focused questions, respondents were asked

a) if the frequency of certain provisions related to retirement occurring at the workplace had changed in the last two years

b) if the importance of retirement issues generally had changed relative to other human resource issues in the last two years.

a) Frequency of selected retirement provisions

Among three of the constituencies – private sector labour; public sector labour and public sector management – there are significant proportions of respondents who believe that many retirement and aging provisions have become more important at the employer level (Chart 6). In particular, a majority (or very close to) of respondents in these three constituencies indicated that there has been an increase in the last two years in:

- ***requests for pre-retirement counselling;***
- ***requests for training*** and
- ***phased-in retirement requests.***

Private sector management is the only constituency that believed that there had been no change in the last two years for such requests[6].

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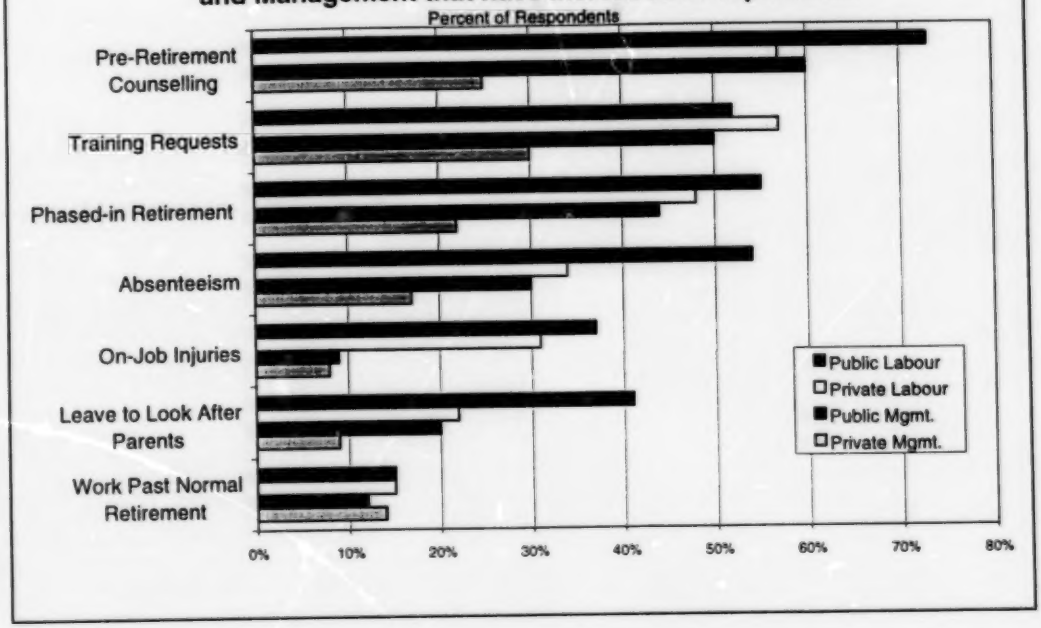
[6] For private sector management, over two-thirds believed there had been no change in the three requests. The precise percentages were: pre-retirement counselling 73 percent; training requests 67 percent and phased-in retirement 76 percent.

Chart 6 Workplace Issues Identified by Labour and Management that have Increased in Importance



The results indicate that retirement issues are going to be – if they are not already – increasingly important in the public sector. A higher proportion of both labour and management in the public sector, compared to their private sector counterparts, indicated an increase in the importance of virtually all the aging and retirement provisions listed. The public sector engaged in significant restructuring in the mid 1990s and hired very few younger workers in the decade. Consequently there may currently be a shortage of experienced management talent – a situation that will become more acute if no action is taken as the workforce ages.

While there are strong areas of agreement on the importance of specific retirement provisions among labour and management in the public sector, there are also some areas where the responses show some divergence. Thus, significant proportions of public sector labour leaders indicate that ***absenteeism***, ***on the job injuries*** and ***requests for leave to look after parents*** have all increased in frequency in the last two years. By contrast, very few public sector management perceive these increases. It is worth noting that the results on ***requests for leave to look after parents*** is an interesting finding since many demographers are predicting that elder care will become an increasingly important issue as the workforce ages and will present particular challenges.

In the private sector the differences between labour and management are much wider, particularly in the areas of ***pre-retirement counselling***, ***requests for training*** and ***requests for phased in retirement***. While the majority of private sector labour leaders believe these requests have increased in frequency, the majority of private sector managers

indicate there has been no change in the frequency of these three requests in the last two years (Table 5).

TABLE 5

Proportion of Management and Labour who indicated NO CHANGE in Frequency of Selected Workplace Provisions: 2000

	Private Sector		Public Sector	
	Management	**Labour**	**Management**	**Labour**
Phased-in Retirement	76%	50%	53%	42%
Work Past Normal Retirement	76%	63%	73%	58%
Leave to Look After Parents	88%	72%	78%	54%
Pre-Retirement Counselling	73%	43%	39%	27%
Absenteeism	77%	62%	66%	45%
On-Job Injuries	74%	60%	86%	61%
Training Requests	67%	37%	46%	44%

Thus, while the frequency of ageing and retirement provisions have increased in the public sector, opinion is much more divided between labour and management on the experience of the past two years in the private sector.

b) Importance of retirement issues relative to other human resource issues

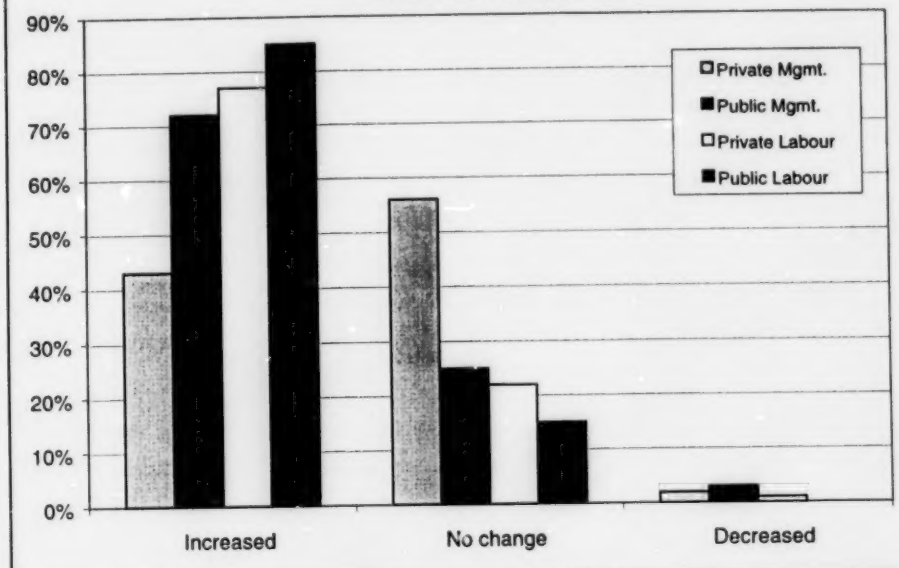
Once again, private sector managers displayed a significantly different perspective than other constituencies on the growth in the relative importance of retirement issues. While a large majority of the other three constituencies felt that retirement issues had increased in importance during the last two years, fewer than half of private sector management (43 percent) felt that this had occurred (Chart 7).

Nevertheless, the increased importance of retirement issues relative to other human resource issues is recognized by a majority of labour and management in the public sector and private sector labour and by a significant minority of private sector management. Furthermore, all four constituencies are agreed that retirement issues have not decreased in the last two years in terms of importance relative to other human resource issues.

The results reinforce the view that both labour and management recognize that increasing attention to retirement issues will be needed as the average age of the workforce continues to rise in the next decade.

Chart 7: Change in Importance of Retirement Issues Relative to Other HR Issues in Last 2 Years

Percent of Respondents



IV. Labour and Management Views on Hiring Priorities for Youth

As the issue of replacing retirees pushes to the fore, it could be anticipated that greater priority to hiring youth will be evident as firms seek new workers to fill the positions of those who retire. It should be noted that this argument is a quantitative one. Questions as to whether younger, less experienced workers have the required skills to replace retirees are not discussed in the evidence from the Leadership Survey. The results demonstrate how hiring priorities may have changed since 1998, both in terms of past experience and future hiring.

a) Priorities of Hiring Youth in the Past Five Years

The perceptions around the priorities given to hiring youth have changed between 1998 and 2000, particularly among labour leaders.

In 1998, managers indicated a much higher priority in hiring youth than did labour leaders. At the other end of the spectrum, over half of the labour leaders indicated that youth hiring had received a low priority. This pattern was true across both the private and public sectors.

By 2000, the percentage that believed that hiring youth had received a high priority had risen for all four constituencies compared to 1998; but it rose particularly significantly among labour (Chart 8). As a result, while management beliefs that youth hiring had received a high priority were stronger than labour leaders, the difference between them has narrowed considerably[7]. Some of this narrowing of attitudes may reflect the improved economy and lower national unemployment rates, which will improve the likelihood of hiring youth. However, the results are consistent with greater consideration of using youth to replace retirees.

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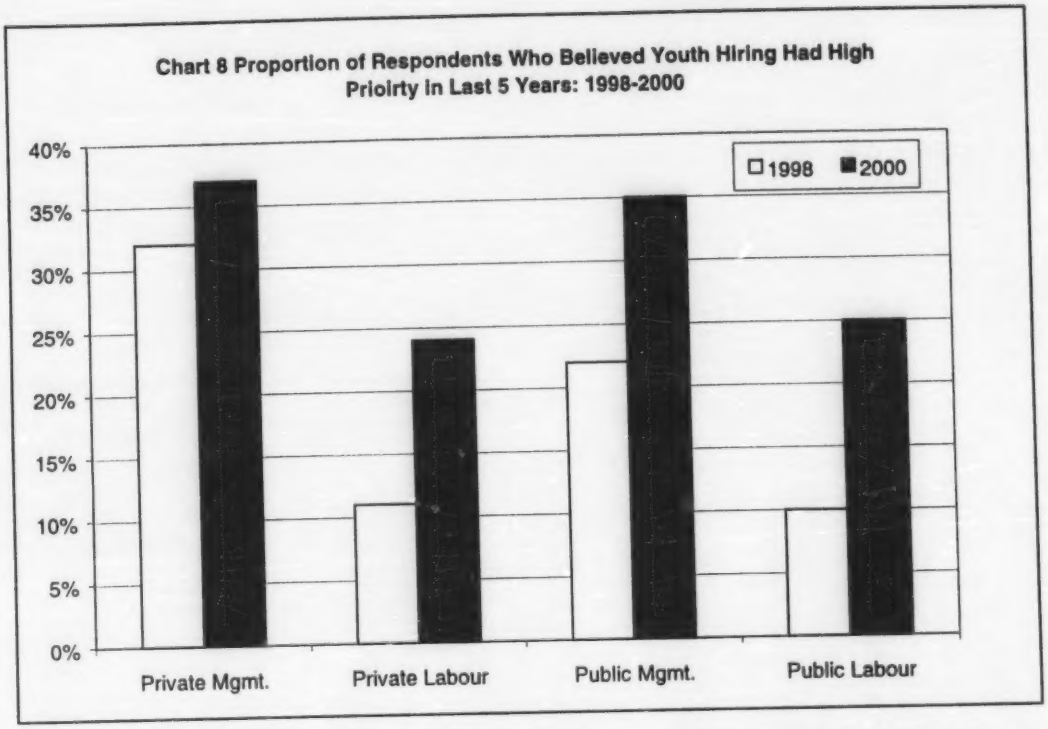
7 The gap between labour and management in 2000 had been reduced to almost half the number of percentage points that existed in 1998 (table 6).



At the other end of the spectrum, there has been a corresponding decline in the percentages of labour and management who believe that youth hiring has been given a low priority (Table 6).

Table 6

Priority for Hiring Youth in the Last 5 Years, 1998-2000

(Percent of Respondents)

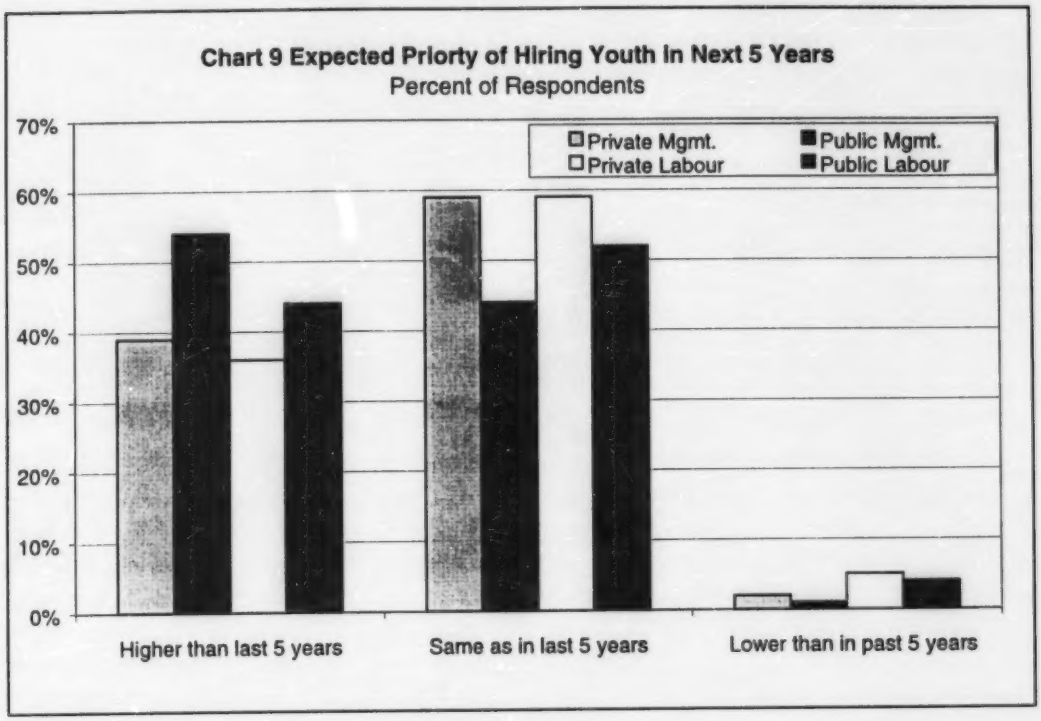
	Private Sector				Public Sector			
	Management		Labour		Management		Labour	
	1998	2000	1998	2000	1998	2000	1998	2000
High Priority	32%	37%	11%	24%	22%	35%	10%	25%
Medium priority	46%	50%	34%	44%	47%	42%	43%	37%
Low priority	22%	13%	55%	32%	32%	23%	47%	38%

There thus appear to be significant shifts at the tails of the distribution across youth hiring priority: significantly more labour and management leaders believe youth has been given a high priority in hiring, significantly less believe it has been given a low priority, but the largest percentages are still to be found in those who believe youth hiring has received a medium priority.

b) Priorities of Hiring Youth in the Next Five Years

Between 1998-2000 there appears to have been a small shift of labour and management views away from an unchanged priority to a higher priority for future youth hiring.

In 1998, the majority of management and labour leaders expected youth hiring to receive the same priority in the next five years, although a significant proportion – one third – expect priorities to increase.



In 2000, there has been a rise in the proportions of labour and management who believe that youth will be accorded a higher priority in hiring in the next five years (Table 7). At the same time, lower percentages of both labour and management believe hiring priorities for youth will be the same over the next five years, although this remains the majority view among the respondents across the whole economy.

The expectation of a higher priority for youth in hiring over the next five years has increased more in the public sector between 1998 and 2000 compared to the private sector (see Table 7). This may reflect an anticipated need for greater replacement of retirees in this sector (as indicated in Chart 1) and the increasing importance of retirement related issues (as indicated in Chart 6)

In the private sector, labour and management had very similar views in 2000 on future hiring priorities for youth. A majority expected priorities to remain the same, and just over a third of the two constituencies expected priorities to be higher.

Table 7

Priority Employers will give to Hiring Youth in the Next Five Years
(Percent of Respondents)

Priority in Next 5 Years	Private Sector				Public Sector			
	Management.		Labour		Management .		Labour	
	1998	2000	1998	2000	1998	2000	1998	2000
Higher	32%	39%	34%	36%	38%	54%	26%	44%
Same	66%	59%	56%	59%	62%	44%	72%	52%
Lower	2%	2%	11%	5%	0%	1%	2%	4%

A greater percentage of both labour and management believe that youth hiring will be given a higher priority in the next five years.

V. Cross Sectional Results from Survey 2000 Results

A breakdown of the results for 2000 was possible by size of firm, unionization, broad industry group, and region. Each of these variables is discussed below, and tables for each of these breakdowns are provided. However, because in some cases the sample sizes were small, the discussion is less detailed than in the previous sections.

a) Size of Organization

The 2000 demographic results by size of organization are shown in Table 8. It is important to note that responses by size of organization are only available from the management perspective. Nevertheless, the results by size of organization provide some interesting differences between the perspectives of managers from small (1-99 employees), medium (100-999 employees) and large organizations (over 1000 employees).

Differences between firms of different sizes might be expected since smaller firms, many of which are start-ups, may include more younger workers. This will affect the expected proportions of retirees and mean less severe replacement problems and less activity in addressing the replacement of retirees. It will also mean that such firms will have lower priorities, both currently and in the future, in hiring youth, since this is a natural activity for small firms. The age of the workforce in small organizations may also mean that replacing retirees poses fewer recruitment problems and calls for relatively more training activities. By and large, the results tend to confirm these expectations.

- Among small organizations, the proportion of managers who believe there will be no replacement of retirees is significantly higher than in other organizations. This may reflect the presence of start-up companies with a very young workforce.
- At the same time, managers in small organizations, compared to larger organizations, have a higher expectation that ***all*** of the retirees will have to be replaced[8]. This may reflect the relative importance of each individual in a small organization compared to a larger organization. The loss of one worker in a small organization represents a higher percentage of the workforce than in larger organizations, and is thus more significant.
- Larger organizations are more active in addressing the replacement of retirees than small firms, again reflecting the older age structure of workforces in larger organizations. Smaller firms may feel less urgency to replace retirees, but larger firms are recruiting permanent workers rather than increasing training.
- ***Training*** is the most prevalent activity undertaken to address the replacement of retirees, and is higher among those small organizations that are addressing the

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[8] It is still true that (as in the overall results) in all three sizes of organization management expects the majority of retirees will be replaced.

retirement issue. In larger organizations, while ***training*** is still prevalent, such organizations also are pursuing strategies around ***recruitment and retention*** and ***other actions***.

- Large organizations anticipate more "very significant problems" in replacing retirees than managers in small organizations[9]. One third of managers from small organizations believe there will be no significant problems. This may reflect different organizational cultures among different sized organizations. Culture in larger organizations tends to be more formal and program-driven, whereas small organizations with a less formal structure may have more flexibility to deal with any problems that may arise from replacing retirees.

- The issue of ***skill shortages*** is pervasive as a specific aspect of replacing retirees across managers of all sizes of organization.

- A higher proportion of managers in medium and large organizations identified ***competition with other employers*** as a specific replacement problem. This suggests greater use of recruitment by these organizations as a means to address the issue of replacing retirees.

- The frequency of certain employee-related retirement issues is higher in medium and large organizations than in small organizations. This is particularly true for requests for phased-in retirement, requests for pre-retirement counselling, requests for training and the issue of absenteeism[10]. These results may reflect the less formal processes at work in smaller organizations.

- Not surprisingly, therefore, managers in larger organizations perceive that retirement issues have increased in importance relative to other human resource issues[11]. Managers in small organizations believed there had been no change in the relative importance of retirement issues.

- Management in medium and large organizations believe they have given youth hiring a high priority in the last five years, whereas managers of small organizations have accorded such hiring a medium priority. As already noted, smaller organizations with younger workforces will have an established history of hiring significant numbers of young workers.

- Managers in small organizations expect their hiring priorities for youth to remain unchanged. Managers in large organizations anticipate a higher priority for hiring youth (Table 8). This is consistent with the view that managers of large organizations are anticipating problems in replacing retirees and that they will need to encourage the development of a young workforce in their organizations.

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9 However, moderately significant problems are anticipated by over half of the managers in all three sizes of organization.

10 Generally, the percentage of managers reporting an increase in frequency of these issues rises with firm size (see Table 8).

11 Fully 69 percent of managers in large organizations and 58 percent in medium organizations believed retirement issues had increased in relative importance.

Table 8

Leadership Survey 2000 Results by Size of Organization

(Management Respondents Only)

	1-99	100-999	1000+	ALL Mgmt.
Proportion of Retirees to be Replaced				
All	48%	36%	28%	37%
Over 50% but not all	11%	28%	37%	26%
Less than 50%	20%	31%	29%	27%
None	13%	1%	1%	5%
Do not know	9%	3%	6%	5%
Degree of activity in addressing replacement of retirees				
Very actively	21%	22%	30%	24%
Somewhat actively	32%	44%	36%	39%
Slightly	32%	26%	27%	28%
Not at all	15%	7%	6%	9%
Specific actions to address replacement of retirees				
Training	45%	38%	31%	37%
Change job descriptions	2%	7%	3%	4%
Downsize/contract out	3%		7%	3%
Retirement policy	12%	8%	4%	7%
None/just talk	15%	10%	1%	9%
Recruitment	12%	19%	32%	21%
Other	12%	19%	20%	19%
Degree of problems expected in replacing retirees				
Very significant problems	16%	12%	24%	17%
Moderately significant problems	54%	60%	57%	58%
No significant problems	30%	28%	19%	26%
Specific replacement problems				
Skill shortages	72%	69%	71%	70%
Union problems	2%		1%	1%
Level of wages/benefits	8%	7%	6%	7%
Need for management change	2%	1%	1%	1%
Problems related to training	7%	4%	3%	4%
Competition with other employers	8%	13%	13%	13%
Other	2%	3%	3%	2%

Table 8 cont.
Leadership Survey 2000 Results by Size of Firm
(Management Respondents Only)

	1-99	100-999	1000+	ALL Mgmt.
Increase in frequency of issues in last 2 years				
Phased-in Retirement Requests	11%	32%	40%	29%
Work Beyond Retirement Age Requests	14%	14%	13%	14%
Parental Leave Requests	3%	14%	19%	13%
Pre-retirement Counselling Requests	7%	43%	52%	36%
Absenteeism	11%	24%	26%	21%
On the job Injuries	9%	7%	9%	8%
Training Requests	27%	42%	34%	36%
Change in importance of retirement issues relative to other HR issues in the last two years				
Increased	24%	58%	69%	52%
No change	73%	40%	31%	47%
Decreased	3%	2%	1%	2%
Priority to hiring Youth in Last 5 Years				
High priority	27%	41%	40%	36%
Medium priority	59%	41%	46%	48%
Low priority	14%	18%	14%	16%
Priority to hiring Youth in Next 5 Years				
Higher	26%	45%	57%	43%
Same	69%	54%	42%	55%
Lower	4%	1%	1%	2%

b) Unionization

The results by unionization are shown in Table 9. It is important to note that responses by unionization are only available from the management perspective. The results by unionization provide some interesting differences between the perspectives of managers from non-union, partially unionized (1-49 percent unionized) and strongly unionized (50-100 percent unionized) organizations. However, these results also likely reflect a correlation between unionization and organizational size.

The results among the different nonunion/unionized groups are listed below.

- There do not appear to be significant differences between organizations with different levels of unionization in terms of their expectations of the degree of replacement of retirees. However, a higher proportion of managers in non-union organizations expect to replace all their retirees compared to unionized organizations.

- Unionized organizations are slightly more active than nonunion organizations in addressing the replacement of retirees.

- The specific actions for replacing retirees were similar across the three types of organizations, with training again being the clear favourite, followed by recruitment and other actions.

- There were also no real differences between union and non-union organizations in terms of the anticipated problems of replacing retirees. The specific problem of skills shortages was recognized across all three levels of unionized organization.

- Managers in unionized firms more strongly identify an increase in frequency of workplace issues related to retirement than do managers in non-unionized firms (Table 9). This is particularly true for ***requests for phased-in retirement***; ***requests for pre-retirement counselling***; ***requests for training*** and ***absenteeism***. One explanation may be that unionized firms have formal processes to handle such issues, which may facilitate the manifestation of these issues.

- The importance of retirement issues relative to other human resource issues appears to have increased in unionized organizations. Managers in non-unionized organizations believe that the relative importance of retirement issues has not changed.

- Most managers among the organizations identify youth hiring as being given a medium priority in the last five years.

- In the next five years, however, fully half of managers in unionized firms expect youth hiring to be given a higher priority, whereas managers in non-unionized firms anticipate that hiring priorities for youth will not change.

Table 9: Leadership Survey 2000 Results by Unionization (Management Respondents Only)

	None	1-49%	50-100%	ALL SIZES MGMT.	ALL SIZES LABOUR
Proportion of Retirees to be Replaced					
All	52%	27%	30%	37%	11%
>50% <100%	14%	33%	32%	26%	25%
More than 50%	66%	60%	62%	63%	36%
Less than 50%	16%	29%	35%	27%	50%
None	10%	2%	1%	5%	6%
Do not know	9%	8%	3%	5%	8%
Degree of activity in addressing replacement of retirees					
Very actively	22%	26%	25%	24%	18%
Somewhat actively	32%	43%	43%	39%	36%
Slightly	30%	29%	27%	28%	35%
Not at all	16%	2%	6%	9%	11%
Specific actions to address replacement of retirees					
Training	39%	36%	37%	37%	14%
Change job descriptions	5%	4%	4%	4%	5%
Downsize/contract out	4%	7%	1%	3%	3%
Retirement policy	6%	14%	7%	7%	10%
None/just talk	14%	7%	6%	9%	22%
Recruitment	21%	18%	22%	21%	28%
Other	12%	14%	22%	19%	17%
Degree of problems expected in replacing retirees					
Very significant problems	17%	14%	16%	17%	37%
Moderately significant problems	55%	51%	61%	58%	42%
No significant problems	28%	35%	24%	26%	21%
Specific replacement problems					
Skill shortages	71%	71%	70%	70%	51%
Union problems	1%		1%	1%	0%
Level of wages/benefits	9%	10%	6%	7%	14%
Need for management change	1%		1%	1%	2%
Problems related to training	7%		3%	4%	12%
Competition with other employers	7%	14%	14%	13%	7%
Other	2%		3%	2%	10%

Table 9 cont: Leadership Survey 2000 Results by Unionization
(Management Respondents Only)

	None	1-49%	50-100%	All Mgmt.	All Labour
Increase in frequency of issues in last 2 years.					
Phased-in Retirement Requests	15%	27%	37%	29%	51%
Work Beyond Retirement Age Requests	17%	10%	12%	14%	15%
Parental Leave Requests	4%	21%	16%	13%	32%
Pre-retirement Counselling Requests	12%	38%	50%	36%	65%
Absenteeism	12%	15%	28%	21%	44%
On the job Injuries	6%	6%	10%	8%	34%
Training Requests	29%	43%	39%	36%	55%
Change in importance of retirement issues relative to other HR issues in the last 2 years					
Increased	26%	56%	68%	52%	81%
No change	72%	44%	30%	47%	18%
Decreased	2%	0%	2%	2%	1%
Priority to hiring Youth in Last 5 Years					
High priority	36%	48%	34%	36%	25%
Medium priority	53%	40%	46%	48%	37%
Low priority	11%	13%	20%	16%	38%
Priority to hiring Youth in Next 5 Years					
Higher	27%	50%	53%	43%	40%
Same	70%	48%	46%	55%	56%
Lower	3%	2%	1%	2%	4%

c) *Industry*

The results of the Leadership Survey by broad industry group are reported in Table 10. The three broad industry groups are private sector goods producing, private sector services, and public sector services (principally health, education and government services). No clear, consistent differences between labour and management perceptions emerge across the set of results by industry. Important differences between public and private sectors have already been noted. Some summary observations on these results by industry are listed below.

- There is no real difference between the industry groupings on the expected degree of replacement of retirees. Similar percentages of management and labour across all three sectors anticipate replacing over 50 percent of retirees.
- The level of activity in addressing the replacement of retirees appears to be lowest in private services, according to both labour and management perspectives.
- However, according to labour and management the private goods producing sector would seem to be the most active in using training as a strategy to replace retirees' skills[12].
- In terms of anticipated hiring problems, management is more optimistic in the goods sector and labour is least pessimistic in private services. However, moderately significant problems are anticipated among both management and labour among all three industries.
- The specific problem of skills shortages is most pronounced in the goods sector according to both labour and management.
- There are some important differences between the three industries on workplace issues related to retirement. Both labour and management agreed that the public sector has experienced the most perceptible increase in these issues, particularly ***requests for phased-in retirement***; ***requests for parental leave***; ***requests for pre-retirement counselling*** and ***absenteeism***. This consensus among labour and management indicates that public services is already beginning to experience some of the issues that are likely to arise as large numbers of older workers retire or leave.
- Similarly, the relative importance of retirement issues has increased most in public services according to both labour and management.
- There is little difference between the industries over past hiring priorities for youth. However, future youth hiring priorities are expected to be highest in the public sector particularly by management.

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12 From the survey 43 percent of managers in the goods sector identified training compared to 26 percent of public services managers; similarly 26 percent of labour leaders in the goods sector identified training compared to 4 percent and 9 percent of labour leaders in private services and public services respectively.

Table 10: Leadership Survey 2000 Results by Industry

	Goods Producing		Private Services		Hlth/Educ/Gov	
	Mgmt.	Labour	Mgmt.	Labour	Mgmt.	Labour
Proportion of Retirees to be Replaced						
More than 50%	61%	30%	64%	33%	65%	41%
Less than 50%	27%	55%	22%	46%	34%	50%
None	7%	5%	5%	11%	0%	3%
Do not know	5%	10%	10%	11%	1%	5%
Degree of activity in addressing replacement of retirees						
Very actively	24%	17%	18%	14%	27%	20%
Somewhat actively	40%	41%	33%	22%	42%	37%
Slightly	26%	32%	35%	42%	25%	34%
Not at all	10%	11%	14%	22%	6%	9%
Specific actions to address replacement of retirees						
Training	43%	26%	40%	4%	26%	9%
Change job descriptions	6%	2%	2%	15%	3%	5%
Downsize/contract out	2%	4%	9%	8%	1%	1%
Retirement policy	6%	9%	4%	8%	10%	11%
None/just talk	9%	15%	13%	31%	9%	24%
Recruitment	19%	34%	23%	23%	22%	26%
Other	15%	11%	9%	12%	28%	24%
Degree of problems expected in replacing retirees						
Very significant problems	12%	38%	20%	29%	22%	38%
Moderately significant problems	58%	42%	53%	43%	58%	43%
No significant problems	30%	20%	27%	29%	20%	19%
Specific replacement problems						
Skill shortages	77%	56%	70%	50%	64%	48%
Union problems	2%	0%				
Level of wages/benefits	5%	9%	2%	5%	11%	20%
Need for management change	0%	2%	2%	5%	1%	1%
Problems related to training	3%	18%	9%	18%	2%	8%
Competition with other employers	11%	4%	11%	5%	15%	8%
Other	1%	11%	6%	9%	2%	11%

Table 10 cont.: Leadership Survey 2000 Results by Industry

	Goods Producing		Private Services		Hlth/Educ/Gov	
	Mgmt.	Labour	Mgmt.	Labour	Mgmt.	Labour
Increase in frequency of issues in last 2 years.						
Phased-in Retirement Requests	20%	41%	24%	48%	44%	55%
Work Beyond Retirement Age Requests	13%	21%	17%	7%	12%	15%
Parental Leave Requests	8%	15%	12%	21%	20%	41%
Pre-retirement Counselling Requests	23%	64%	28%	43%	60%	73%
Absenteeism	14%	28%	23%	34%	30%	54%
On the job Injuries	9%	32%	6%	30%	9%	37%
Training Requests	27%	61%	36%	50%	50%	52%
Change in importance of retirement issues relative to other HR issues in the last 2 years						
Increased	41%	76%	43%	76%	72%	85%
No change	57%	23%	55%	22%	25%	15%
Decreased	1%	1%	2%	2%	3%	0%
Priority to hiring Youth in Last 5 Years						
High priority	36%	30%	39%	22%	35%	25%
Medium priority	49%	43%	51%	48%	42%	37%
Low priority	15%	27%	10%	30%	23%	38%
Priority to hiring Youth in Next 5 Years						
Higher	37%	41%	41%	31%	54%	44%
Same	61%	57%	56%	58%	44%	52%
Lower	2%	3%	3%	11%	1%	4%

d) Region

The results of the Leadership Survey by region are reported in Table 11 and include responses from both management and labour. They do not include, however, those respondents who indicated that they have locations in more than one province. As a consequence, the sample sizes for many of these cells are quite small and make it difficult to provide a consistent picture. Furthermore, regional differences can be due to a variety of factors. Therefore, the tabular results are presented here without specific commentary or interpretation. A quick scan of the results indicates that there is no coherent trend that emerges from these results.

Table 11: Leadership Survey 2000 Results by Region

	Management						Labour					
	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.
Proportion of Retirees to be Replaced												
More than 50%	67%	46%	62%	76%	60%	64%	30%	45%	32%	42%	26%	32%
Less than 50%	27%	44%	30%	19%	30%	19%	54%	39%	55%	45%	67%	52%
None	4%	3%	4%	4%	4%	6%	7%	0%	10%	3%	4%	10%
Do not know	1%	6%	4%	2%	5%	12%	9%	16%	2%	10%	4%	6%
Degree of activity in addressing replacement of retirees												
Very actively	25%	16%	38%	18%	24%	23%	19%	11%	33%	19%	24%	4%
Somewhat actively	40%	52%	28%	31%	49%	32%	34%	40%	26%	44%	32%	31%
Slightly	24%	24%	26%	41%	20%	37%	36%	38%	33%	22%	24%	54%
Not at all	12%	9%	9%	10%	8%	9%	11%	11%	9%	15%	20%	12%
Specific actions to address replacement of retirees												
Training	30%	39%	29%	56%	44%	34%	6%	8%	11%	5%	16%	21%
Change job descriptions	8%	3%	5%	4%	3%	3%	3%	10%	11%	5%	5%	0%
Downsize/contract out	0%	3%	2%	0%	3%	3%	3%	3%	4%	5%	5%	5%
Retirement policy	8%	14%	5%	11%	3%	6%	15%	10%	7%	15%	5%	16%
None/just talk	10%	8%	12%	11%	9%	13%	32%	26%	11%	25%	42%	16%
Recruitment	15%	19%	24%	7%	18%	22%	18%	31%	32%	30%	11%	26%
Other	30%	14%	22%	11%	21%	16%	24%	13%	21%	15%	16%	16%
Degree of problems expected in replacing retirees												
Very significant problems	10%	7%	24%	20%	24%	23%	37%	25%	31%	37%	44%	48%
Moderately significant problems	68%	58%	50%	61%	49%	46%	35%	45%	48%	44%	44%	28%
No significant problems	22%	35%	26%	20%	27%	32%	28%	30%	21%	19%	12%	24%

Table 11 cont.: Leadership Survey 2000 Results by Region

	Management						Labour					
	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.
Specific replacement problems												
Skill shortages	70%	71%	61%	69%	79%	63%	46%	59%	64%	59%	45%	44%
Location/need to move	2%			3%	3%		4%			0%	0%	
Level of wages/benefits	5%	10%	11%	13%	9%	3%	7%	4%	20%	12%	15%	22%
Need for management change		3%			0%	3%	11%	4%			5%	0%
Downsizing/loss of security	0%	0%	2%				11%	4%	4%			
Problems related to training	7%	0%	7%	3%	3%	0%	14%	7%	4%	6%	20%	28%
Competition with other employers	14%	10%	16%	9%	3%	27%	7%	11%	4%	0%	10%	0%
Other	2%	6%	2%	0%	3%	0%	11%	11%	4%	24%	5%	6%
Increase in frequency of issues in last 2 years.												
Phased-in Retirement Requests	27%	49%	30%	18%	21%	27%	64%	56%	55%	44%	35%	50%
Work Beyond Retirement Age Requests	7%	11%	16%	17%	20%	20%	5%	11%	17%	16%	19%	20%
Parental Leave Requests	11%	21%	18%	12%	5%	8%	21%	42%	34%	26%	20%	37%
Pre-retirement Counselling Requests	43%	56%	47%	18%	23%	20%	69%	74%	49%	75%	48%	62%
Absenteeism	28%	33%	24%	12%	14%	22%	53%	43%	43%	24%	63%	41%
On the job Injuries	8%	11%	11%	6%	7%	9%	44%	28%	17%	31%	41%	41%
Training Requests	32%	46%	36%	37%	39%	31%	55%	49%	55%	44%	65%	61%
Change in importance of retirement issues relative to other HR issues in the last 2 years												
Increased	61%	65%	62%	31%	41%	49%	86%	77%	81%	67%	81%	80%
No change	37%	29%	38%	65%	59%	51%	14%	21%	17%	33%	19%	20%
Decreased	3%	6%	0%	4%	0%	0%	0%	2%	2%	0%	0%	0%

Table 11 cont.: Leadership Survey 2000 Results by Region

	Management						Labour					
	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.	Atlantic	Quebec	Ontario	Man/ Sask	Alberta	B.C.
Priority to hiring Youth in Last 5 Years												
High priority	24%	59%	40%	33%	40%	35%	18%	25%	33%	18%	30%	24%
Medium priority	57%	27%	45%	50%	47%	50%	36%	41%	39%	48%	37%	48%
Low priority	19%	14%	15%	17%	12%	15%	45%	34%	29%	33%	33%	28%
Priority to hiring Youth in Next 5 Years												
Higher	45%	43%	49%	33%	39%	42%	31%	38%	33%	48%	44%	48%
Same	54%	52%	50%	65%	60%	55%	59%	61%	63%	48%	52%	48%
Lower	1%	5%	1%	2%	2%	3%	9%	2%	4%	3%	4%	3%

VI. Conclusions

The evidence from the 2000 Leadership Survey provides clear evidence that labour and management are beginning to take the challenge of replacing retirees seriously. Compared to their views of just two years ago, both sides recognize that significant replacement of retirees is expected and that this will bring the need for action today and the use of a wide variety of strategies to replace retirees. Increasingly, both labour and management are recognizing that the problems of replacing retirees will be more significant than they previously thought. Management views have changed dramatically in this regard. Furthermore, the different constituencies agree that retirement issues – such as requests for pre-retirement counselling, training and phased-in retirement – are increasing in both frequency and in their importance relative to other human resource issues. All these indicators can be taken as a sign that while the issue of an aging workforce is not in the centre of the radar screen, it is most definitely in the viewfinder.

A second conclusion is that management and labour attitudes are converging. Compared to the differences between labour and management in 1998, their respective views have narrowed considerably. Management is increasingly recognizing that there will be very significant problems in replacing retirees. Labour is increasingly recognizing the serious efforts of organizations to address replacement issues. The emerging consensus on labour-management views strengthens increasing importance of the issue of an aging workforce.

A third conclusion is that the specific problem of skill shortages in replacing retirees is universally recognized. Skills shortages are cited by both labour and management, among all sizes of organization, and in both the public and private sectors. This underlines the importance of the competitive advantage of having a workforce with the required skills.

A fourth conclusion is that the pressures of an aging workforce are more intensely felt in the public sector. Compared to the private sector, the results indicate that in the public sector replacement levels of retirees will be higher; there is more activism in addressing replacement; the problems of replacement are greater and the growth in the importance of retirement issues is higher. This does not diminish the importance of the challenges in the private sector, but rather that the public sector is more likely to experience greater challenges in the replacement of retirees.

Both labour and management are waking up to the fact that they will face very real problems if they fail to start planning now to replace the loss of experience and skills from retiring workers. Forward planning by both unions and companies will have to address the skills needs of both companies and workers in terms not just of current needs but also of what skills portfolio would be appropriate in the future. It will be important for companies and unions to be forward looking and begin the process of developing strategies before the wave of retirees hits their particular workforce. The increasingly recognized importance of skills as a key inhibitor to a firm's competitiveness will help these participants focus on this issue.

Finally, the analysis contained in this report relates only to the perceptions of labour and management leaders at the macro level. Such a macro picture provides some important broad brushstrokes of perceptions but is not designed to capture the complexities of specific responses to the aging of the workforce that can be found at the workplace or organizational level[13]. To provide individuals, unions, companies and governments with the tools to plan responses to the aging of the workforce, more research and dissemination of this micro information is a necessary complement to macro surveys.

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13 Some cases studies are to be found in *Viewpoints '98: Planning for demographic Change in the Workforce*, Canadian Labour and Business Centre March 1999, which highlighted specific workplaces and organizations where labour and management had developed specific responses to the challenges of an aging workforce.